

**Deloitte
& Touche**

Auditors' Report

To the Shareholders of
Sunrise International Inc.

We have audited the consolidated balance sheets of Sunrise International Inc. as at September 30, 2000 and 1999 and the consolidated statements of earnings and retained earnings and changes in cash flow for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2000 and 1999 and the results of its operations and the changes in its cash flow for the years then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

December 1, 2000

SUNRISE INTERNATIONAL INC.

Consolidated Balance Sheets

December 31, 2014 and 2013

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LIABILITIES

CURRENT

Accounts payable and accrued liabilities	\$ 2,307,753	\$ 2,307,753
Notes payable	100,000	100,000
Deferred income taxes	100,000	100,000
Current portion of long-term debt	1,000,000	1,000,000
	\$ 3,507,753	\$ 3,507,753

LONG TERM DEBT

Long-term debt	1,000,000	1,000,000
	\$ 1,000,000	\$ 1,000,000

	\$ 4,507,753	\$ 4,507,753
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DEFERRED INCOME TAXES AND COMMITMENTS (Note 10)

DEFERRED INCOME TAXES

Deferred income taxes	1,000,000	1,000,000
	\$ 1,000,000	\$ 1,000,000

	\$ 5,507,753	\$ 5,507,753
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APPROVED BY THE BOARD

Chairman of the Board

President

SUNRISE INTERNATIONAL INC.

Consolidated Balance Sheets

September 30, 2000 and 1999

	2000	1999
ASSETS		
CURRENT		
Cash	\$ 1,239,718	\$ 214,340
Accounts receivable	1,928,275	2,023,691
Inventories	2,484,623	3,282,461
Prepaid expenses and deposits	199,648	252,483
	5,852,264	5,772,975
OTHER RECEIVABLES	297,451	256,784
PROPERTIES HELD FOR DEVELOPMENT (Note 3)	1,692,017	1,543,989
RENTAL PROPERTIES (Note 4)	4,817,509	7,036,876
CAPITAL ASSETS (Note 5)	20,507,739	21,327,753
INVESTMENTS IN AND ADVANCES TO SIGNIFICANTLY INFLUENCED COMPANIES AND OTHER INVESTMENTS (Note 6)	1,557,762	888,254
DEFERRED COSTS	79,501	64,721
GOODWILL (Note 7)	440,321	463,697
	\$ 35,244,564	\$ 37,355,049
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,571,735	\$ 2,543,392
Income taxes payable	173,910	707,837
Estimated income taxes (Note 12)	180,000	180,000
Current portion of deferred land rent (Note 8)	-	36,858
Current portion of long-term debt (Note 9)	1,004,859	1,382,770
	3,930,504	4,850,857
LONG-TERM DEBT (Note 9)	17,603,375	19,339,382
ESTIMATED INCOME TAXES (Note 12)	1,276,000	930,000
DEFERRED INCOME TAXES (Note 12)	240,000	180,000
	23,049,879	25,300,239
CONTINGENCIES AND COMMITMENTS (Note 10)		
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	12,087,776	12,087,776
Contributed surplus	91,610	91,610
Retained earnings (deficit)	15,299	(124,576)
	12,194,685	12,054,810
	\$ 35,244,564	\$ 37,355,049

APPROVED BY THE BOARD

..... Director

..... Director

SUNRISE INTERNATIONAL INC.**Consolidated Statements of Earnings and Retained Earnings**

Years ended September 30, 2000 and 1999

	2000	1999
INCOME		
Sales		
Tourism and hotels	\$ 13,520,507	\$ 13,172,947
Retail	6,207,610	6,995,343
Rental	1,462,916	1,378,755
Income from investments in significantly influenced companies	292,944	98,746
Other	718,782	351,634
	22,202,759	21,997,425
EXPENSES		
Cost of sales		
Tourism and hotels	1,756,238	2,006,597
Retail	4,478,145	5,697,363
Rental	206,766	16,753
General and administrative expenses	11,140,343	11,418,812
	17,581,492	19,139,525
EARNINGS BEFORE THE FOLLOWING	4,621,267	2,857,900
OTHER CHARGES (INCOME)		
Depreciation and amortization	1,995,078	2,108,960
Interest		
Long-term debt	1,676,363	1,546,459
Operating interest and bank charges	212,792	322,693
Loss (gain) on sale of capital assets, properties held for development, rental properties and from insurance settlement	247,159	(394,351)
	4,131,392	3,583,761
EARNINGS (LOSS) BEFORE INCOME TAXES	489,875	(725,861)
INCOME TAXES (RECOVERY) (Note 12)	350,000	(126,000)
NET EARNINGS (LOSS)	139,875	(599,861)
(DEFICIT) RETAINED EARNINGS, BEGINNING OF YEAR	(124,576)	475,285
RETAINED EARNINGS (DEFICIT), END OF YEAR	\$ 15,299	\$ (124,576)
BASIC EARNINGS (LOSS) PER SHARE (Note 11)	\$ 0.003	\$ (0.014)

SUNRISE INTERNATIONAL INC.
Consolidated Statement of Cash Flow
Years ended September 30, 2000 and 1999

	2000	1999
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING		
OPERATING		
Net earnings (loss)	\$ 139,875	\$ (599,861)
Items not affecting cash		
Deferred income taxes	60,000	180,000
Estimated income taxes	346,000	(180,000)
Depreciation and amortization	1,995,078	2,108,960
Income from investments in significantly influenced companies	(292,944)	(98,746)
Loss (gain) on disposal of capital assets, properties held for development, and rental properties	247,159	(394,351)
	2,495,168	1,016,002
Changes in non-cash operating working capital items	440,505	(312,841)
	2,935,673	703,161
FINANCING		
Proceeds from long-term debt	586,029	7,353,903
Repayment of long-term debt	(2,699,948)	(5,584,475)
Recovery of land rent	(36,858)	(64,811)
Issue of notes receivable	(106,500)	-
Proceeds from notes receivable	13,038	41,536
	(2,244,239)	1,746,153
INVESTING		
Purchase of capital assets	(898,526)	(1,942,041)
Purchase of rental properties	(1,281,363)	(731,369)
Purchase of properties held for development	(161,516)	(240,741)
Proceeds from disposal of properties held for development	13,487	-
Proceeds from disposal of capital assets	146,982	55,138
Proceeds from disposal of rental properties	2,891,444	723,817
Advances from investments in and advances to significantly influenced companies and other investments - net	(376,564)	176,280
Additions to deferred costs	-	(25,000)
	333,944	(1,983,916)
NET CASH INFLOW	1,025,378	465,398
CASH (BANK INDEBTEDNESS), BEGINNING OF YEAR	214,340	(251,058)
CASH, END OF YEAR	\$ 1,239,718	\$ 214,340
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	\$ 1,385,000	\$ 1,816,000
Income taxes	502,325	120,000
	\$ 1,887,325	\$ 1,936,000

SUNRISE INTERNATIONAL INC.

Notes to the Consolidated Financial Statements

Years ended September 30, 2000 and 1999

1. DESCRIPTION OF BUSINESS

The Company is a holding company incorporated under the Business Corporations Act (Alberta). Its shares are traded on the Canadian Ventures Exchange.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant inter-company transactions have been eliminated. The wholly-owned subsidiaries are:

Jasper Inn Investments Ltd.
Maligne Tours Ltd.
497751 Alberta Ltd.
Park Place Building Ltd.
Pyramid Construction Inc.
762915 Alberta Inc.
Yellowhead Equipment Inc.
Sunrise Auctions Ltd.

Jasper Travel Agency Ltd.
Onyx Investments Ltd.
581519 Alberta Ltd.
King Street Mall Ltd.
National Tractor Inc.
810473 Alberta Ltd.
373568 Alberta Ltd.

2. ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Use of estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Properties held for development

Properties held for development are recorded at cost which includes the original purchase price, acquisition costs, interest on debt specifically related to the acquisition of the land, property taxes, and where applicable, development costs. Properties held for development are written down to estimated net realizable value in the year in which management determines that a permanent decline in value has occurred.

SUNRISE INTERNATIONAL INC.

Notes to the Consolidated Financial Statements

Years ended September 30, 2000 and 1999

2. ACCOUNTING POLICIES (continued)

Rental properties and capital assets

The Company records rental properties and capital assets at cost. Rental properties and capital assets acquired in 1989 from related parties were recorded at their fair market values at the time of transfer. Depreciation on these assets is provided using the following annual rates and methods:

Rental buildings	4% declining-balance
Tourism and hotel buildings	4% declining-balance
Retail buildings	5% declining balance
Condominiums	4% declining-balance
Tourism marine vessels	15% declining-balance
Parking lots	8% declining-balance
Furniture and equipment	10% - 30% declining-balance
Vehicles	30% declining-balance
Signs	25% declining-balance

Assets identified as being on leased land are depreciated on a straight-line basis over the terms of their respective lease.

The Company's land leases are within Jasper National Park and have various lease expiry dates between 2007 and 2022.

Investments in and advances to significantly influenced companies and other investments

Investments in companies in which the Company has significant influence are accounted for on the equity basis. Other investments are recorded at cost. Investments are written down when management has determined there has been a permanent decline in value.

Deferred costs

Costs relating to the leasing of lands in Jasper National Park have been capitalized. These costs are amortized over the term of the lease.

Goodwill

The excess of the cost of investments in subsidiaries over the fair value of the net assets acquired is recorded as goodwill. Goodwill is being amortized using the straight-line method over its estimated life of 16 to 24 years for assets on land leased in Jasper National Park. The Company assesses the continuing value of goodwill each year by considering current operating results, trends and projections. In the year of impairment in value, goodwill would be reduced by a charge to operations.

Statement of cash flow

The statement of cash flow is prepared using the indirect method.

SUNRISE INTERNATIONAL INC.

Notes to the Consolidated Financial Statements

Years ended September 30, 2000 and 1999

3. PROPERTIES HELD FOR DEVELOPMENT

	2000	1999
Land and improvements	\$ 769,899	\$ 685,225
Leasehold interests in properties	445,000	445,000
Carrying costs	477,118	413,764
	\$ 1,692,017	\$ 1,543,989

Leasehold interests in properties include land located within Jasper National Park held under various leases that expire between 2010 and 2011. Carrying costs capitalized in the current year included property taxes and development costs.

4. RENTAL PROPERTIES

	2000			1999
	Cost	Depreciation and Amortization	Net Book Value	Net Book Value
Land	\$ 510,255	\$ -	\$ 510,255	\$ 1,269,332
Buildings	2,825,377	325,145	2,500,232	3,378,785
Buildings on leased land	1,978,354	901,145	1,077,209	1,452,754
Parking lots	108,005	25,339	82,666	205,442
Signs	9,033	941	8,092	23,282
Condominiums on leased land	1,066,107	427,052	639,055	707,281
	\$ 6,497,131	\$ 1,679,622	\$ 4,817,509	\$ 7,036,876

Buildings on leased land are located within Jasper National Park on land held under various leases that expire between 2007 and 2022.

SUNRISE INTERNATIONAL INC.
Notes to the Consolidated Financial Statements
Years ended September 30, 2000 and 1999

5. CAPITAL ASSETS

	2000			1999
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 736,246	\$ -	\$ 736,246	\$ 736,246
Tourism and hotel buildings	8,906,532	1,658,276	7,248,256	7,334,267
Retail buildings	1,703,824	540,531	1,163,293	1,101,402
Condominium	241,500	9,467	232,033	241,500
Tourism marine vessels	1,472,659	1,003,345	469,314	522,196
Parking lots	360,007	131,836	228,171	248,012
Furniture and equipment	7,267,833	4,724,010	2,543,823	2,864,582
Vehicles	626,165	323,312	302,853	347,538
Signs	119,341	72,065	47,276	41,820
	21,434,107	8,462,842	12,971,265	13,437,563
Assets on leased land				
Tourism buildings	10,118,682	2,761,632	7,357,050	7,705,414
Parking lots	111,046	38,326	72,720	73,222
Swimming pool	136,067	29,363	106,704	111,554
	10,365,795	2,829,321	7,536,474	7,890,190
	\$ 31,799,902	\$ 11,292,163	\$ 20,507,739	\$ 21,327,753

Assets on leased land are located within Jasper National Park on land held under various leases that expire between 2007 and 2022. Additions financed by capital lease were nil (1999 - \$236,551).

The condominium with a carrying value of \$232,033 is jointly owned with an officer/director and is pledged as security for the debt of the officer/director.

During the year, the Company acquired \$52,795 (1999 – nil) in assets in exchange for an account receivable. There was no cash involved in this transaction and, as such, it is not reflected in the statement of cash flow.

SUNRISE INTERNATIONAL INC.

Notes to the Consolidated Financial Statements

Years ended September 30, 2000 and 1999

6. INVESTMENTS IN AND ADVANCES TO SIGNIFICANTLY INFLUENCED COMPANIES AND OTHER INVESTMENTS

		1999	2000		
	Ownership Percentage	Net Book Value	Advances to Investee	Income of Investee	Net Book Value
<i>Significantly Influenced Companies:</i>					
Thomas Bus Sales (1990) Ltd.	50%	\$ 722,970	\$ -	\$ 354,568	\$ 1,077,538
Hinton Food Services Ltd.	50%	-	316,564	(120,660)	195,904
Christmas in The Rockies (a partnership)	50%	104,295	-	12,845	117,140
Maligne Rafting Adventures Ltd.	50%	30	-	50,324	50,354
Other significantly influenced companies	20% - 50%	(4,117)	15,000	(4,133)	6,750
		823,178	331,564	292,944	1,447,686
Other investments		65,076	45,000	-	110,076
		\$ 888,254	\$ 376,564	\$ 292,944	\$ 1,557,762

Advances to significantly influenced companies are without interest and have no specified terms of repayment.

Other investments do not have a quoted market value.

7. GOODWILL

	2000	1999
Cost	\$ 715,000	\$ 715,000
Accumulated amortization	274,679	251,303
	\$ 440,321	\$ 463,697

8. DEFERRED LAND RENT

During 1997, the Company renegotiated their land rental agreements for certain properties located in Jasper and received a refund of amounts previously paid. Under the agreements, this deferred land rent was applied to future land rental payments.

SUNRISE INTERNATIONAL INC.
Notes to the Consolidated Financial Statements
Years ended September 30, 2000 and 1999

9. LONG-TERM DEBT

	<u>2000</u>	<u>1999</u>
<i>Mortgages</i>		
Mortgage bearing interest at prime plus 1%, repayable in blended monthly payments of \$106,805, maturing in July 2004. The mortgage is secured by two first mortgages and an unlimited corporate guarantee and a general service agreement granting a floating charge over specific land, tourism buildings, furniture and equipment, condominium, and an assignment or rents.	\$ 10,576,500	\$ 11,610,525
Mortgage bearing interest at a rate of 8%, maturing in 2010, repayable in blended monthly payments of \$5,000. The mortgage is secured by specific condominiums.	408,522	436,568
Mortgage bearing interest at a rate of 5%, repayable in annual principal payments of \$60,000 in 2000 and 2001, and a final principal payment in 2002, with interest monthly. The mortgage matures in June 2002 and is secured by a specific property held for development. This mortgage is owed to a corporation owned by a shareholder of the Company.	280,000	340,000
Mortgage bearing interest at a rate of prime plus 2.25%, repayable in blended monthly payments of \$3,500, paid out in September 2000.	-	434,327
<i>Bank Loans</i>		
Demand bank loans bearing interest at rates of prime plus 1.75% to 2.25%, repayable in monthly payments of \$91,600 including interest subject to annual loan renewal.	7,127,216	7,517,485
The above bank loans and operating line of credit are secured by demand debentures and general security agreements granting a fixed and floating charge over all assets of the Company and specific charges against certain properties held for development, rental properties, capital assets and assignment of rents and fire insurance proceeds covering all buildings, tourism marine vessels, furniture and equipment and inventories.		
Balance carried forward	18,392,238	20,338,905

SUNRISE INTERNATIONAL INC.
Notes to the Consolidated Financial Statements
Years ended September 30, 2000 and 1999

9. LONG-TERM DEBT (continued)

	<u>2000</u>	<u>1999</u>
Balance brought forward	18,392,238	20,338,905
<i>Capital Lease</i>		
Capital leases bearing interest of 1.9% to 11.71%, repayable in blended monthly payments of \$4,294, maturing at various dates from December 2000 to July 2003. The leases are secured by specific equipment with a net book value of \$243,272.	215,996	383,247
	18,608,234	20,722,152
Less current portion	1,004,859	1,382,770
	<u>\$ 17,603,375</u>	<u>\$ 19,339,382</u>

Principal repayments due within the next five years assuming bank loans subject to annual loan renewal are refinanced under similar terms.

2001	\$ 1,004,859
2002	1,272,538
2003	1,130,940
2004	1,287,392
2005	1,396,324

10. CONTINGENCIES AND COMMITMENTS

- a) The Company has issued letters of guarantees on behalf of companies over which it has significant influence in the aggregate amount of \$70,000 as at September 30, 2000.
- b) The Company has entered into long-term land lease commitments for land located in Jasper National Park which expire between 2007 and 2022. Land lease payments are based on the appraised value of the land determined every three years. Estimated lease payments for the next year are \$192,000 under the current agreements.
- c) The Company has entered into a long-term rental agreement for retail space in Jasper for \$164,000 per year, which expires January 2006.
- d) The Company has entered into a lease agreement with a company, which is a shareholder of the Company, for retail space in Spruce Grove, Alberta, which expires on November 30, 2000. The lease will be renewed for another 5 years ended November 30, 2005. Estimated annual lease payments amount to \$17,000.

SUNRISE INTERNATIONAL INC.
Notes to the Consolidated Financial Statements
Years ended September 30, 2000 and 1999

11. SHARE CAPITAL

Authorized

Unlimited Class A common shares

Unlimited Class B restricted, non-voting shares

100,000,000 first preferred shares

20,000,000 preferred, redeemable shares, redemption price to be determined upon issuance

	<u>2000</u>	<u>1999</u>
Issued		
43,702,510 Class A common shares	\$ 12,087,776	\$ 12,087,776

There have been no changes in the number of common shares outstanding during the year.

12. INCOME TAXES (RECOVERY)

The income tax provision on the consolidated statements of earnings and retained earnings differs from the Company's statutory income tax rate of 45% principally because the tax cost of capital assets is less than the carrying value for accounting purposes. The carrying value for accounting purposes was based on the fair market values of the assets at the time they were acquired by the Company. The tax cost of the assets did not change upon their acquisition. Therefore, depreciation expense for accounting purposes exceeds capital cost allowance for tax purposes.

The following reconciles income taxes calculated at the combined basic Canadian federal and provincial income tax rate with the income tax provision in the consolidated financial statements.

	<u>2000</u>	<u>1999</u>
Income tax (recovery) based on the combined basic Canadian federal and provincial income tax rate	\$ 220,000	\$ (326,000)
Tax effect of depreciation greater than capital cost allowance	105,000	100,000
Large corporations tax	65,000	60,000
Tax effect of other permanent differences	(40,000)	40,000
	<u>\$ 350,000</u>	<u>\$ (126,000)</u>

Tax losses available for future years amounting to \$900,000 expiring between 2001 and 2007 have been recognized in these financial statements offset against other deferred income taxes.

Estimated income taxes

Certain consolidated subsidiaries of the Company have taxation years that are different from the Company's year end.

SUNRISE INTERNATIONAL INC.
Notes to the Consolidated Financial Statements
Years ended September 30, 2000 and 1999

12. INCOME TAXES (RECOVERY) (continued)

Estimated income taxes represent the income tax calculated on the income of these subsidiaries from the date of their latest taxation year to September 30, which is included in these consolidated financial statements.

The subsidiaries' actual tax liabilities may differ.

The estimated income taxes have been classified as current and non-current representing management's best estimate of the nature of the liability.

13. RELATED PARTY TRANSACTIONS AND BALANCES

Significant transactions with related parties not disclosed elsewhere in these financial statements are as follows:

- a) Transactions and balances with companies over which the Company has significant influence (20% to 50% equity interests).

	<u>2000</u>	<u>1999</u>
Rental and tourism revenue ⁽¹⁾	\$ 97,255	\$ 72,674
Management fees received ⁽²⁾	327,103	100,000
Balances in accounts receivable	17,950	107,000
Balances in accounts payable	296,471	-
Advertising expense ⁽¹⁾	3,979	-

- b) Transactions and balances with companies that are shareholders or corporations owned by shareholders of the Company.

	<u>2000</u>	<u>1999</u>
Rental and retail revenue ⁽¹⁾	\$ 325,950	\$ 197,992
Interest revenue ⁽¹⁾	15,836	-
Management fee revenue ⁽²⁾	21,000	45,765
Rental expense ⁽¹⁾	14,818	27,847
Management fee expense ⁽²⁾	192,000	196,000
Vehicles lease expense ⁽¹⁾	151,804	121,502
Advertising fees expense ⁽¹⁾	34,688	37,450
Capital assets purchased ⁽²⁾	1,372,571	1,122,308
Balances in accounts receivable	10,807	62,155

SUNRISE INTERNATIONAL INC.
Notes to the Consolidated Financial Statements
Years ended September 30, 2000 and 1999

13. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

- c) Transactions and balances with individuals who are shareholders of the Company, directors of the Company, or shareholders of companies over which the Company has significant influence (20% to 50% interest).

	<u>2000</u>	<u>1999</u>
Rental revenue ⁽¹⁾	\$ 2,140	\$ -
Legal expense ⁽¹⁾	3,358	9,248
Directors' fees expense ⁽²⁾	6,000	6,000
Vehicle lease expense ⁽¹⁾	10,000	-
Balance in other receivables	106,500	-
Balance in accounts receivable	164	-

- d) Transactions and balances with a company controlled by an individual in the Company's management.

	<u>2000</u>	<u>1999</u>
Retail revenue ⁽¹⁾	\$ 47,149	\$ 93,494
Management fee expense ⁽²⁾	48,000	72,529
Balance in accounts receivable	2,092	22,849
Capital asset purchases ⁽²⁾	13,000	-

The above transactions have been recorded at:

(1) market rates; or

(2) exchange rates as agreed between the related parties.

The balances have normal terms and conditions.

14. FINANCIAL INSTRUMENTS

Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Company's cash flows, financial position and income. The risk related primarily to long-term debt issued at floating interest rates. Currently, \$17,703,716 of the Company's long-term debt is issued at floating interest rates. A 1% change in interest rates would change earnings before income taxes by \$177,000.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Company is exposed to credit risk from customers. However, the Company has a large number of diverse customers, which minimizes concentration of credit risk.

SUNRISE INTERNATIONAL INC.

Notes to the Consolidated Financial Statements

Years ended September 30, 2000 and 1999

14. FINANCIAL INSTRUMENTS (continued)

Fair value

Fair values approximate amounts at which these instruments could be exchanged in a current transaction between willing parties. Fair values are based on estimates using present value and other valuation techniques, that are significantly affected by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates which reflect varying degrees of risk. Therefore, due to their subjective and uncertain nature, fair value amount should not be interpreted as being realizable in an immediate settlement of the instruments.

Current assets and liabilities are valued at their carrying values due to the relatively short period to maturity of these instruments. The fair value of other receivables and investments in and advances to significantly influenced companies and other investments are not determinable as these instruments lack an available trading market. The fair value of long-term debt is assumed to approximate carrying value as the existing rates represent the rates currently available to the Company.

15. SUBSEQUENT EVENT

Subsequent to the year end, the Company purchased 43% of the shares of Sunrise Investments Inc. ("Inc.") and provided financing of \$740,000 to Inc. The Company has guaranteed approximately \$2,800,000 of financing provided to Inc.

16. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

SUNRISE INTERNATIONAL INC.
Notes to the Consolidated Financial Statements
Years ended September 30, 2000 and 1999

17. SEGMENTED INFORMATION

	Tourism and Hotels		Retail		Rental		Consolidated	
	2000	1999	2000	1999	2000	1999	2000	1999
REVENUE	\$ 13,520,507	\$ 13,172,947	\$ 6,207,610	\$ 6,995,343	\$ 1,462,916	\$ 1,378,755	\$ 21,191,033	\$ 21,547,045
SEGMENT OPERATING EARNINGS (LOSS)	\$ 2,384,762	\$ 1,716,380	\$ (244,317)	\$ (856,983)	\$ (88,531)	\$ 57,972	\$ 2,051,914	\$ 917,369
Income from investments in significantly influenced companies								
Other income							292,944	98,746
General corporate expenses							718,782	351,634
Interest on long-term debt							(650,243)	(941,502)
(Loss) gain on sale of capital assets, properties held for development and rental properties							(1,676,363)	(1,546,459)
Income taxes (expense) recovery							(247,159)	394,351
NET EARNINGS (LOSS)							\$ (350,000)	126,000
Identifiable segment assets	\$ 19,780,838	\$ 20,409,881	\$ 5,992,889	\$ 6,428,663	\$ 4,643,175	\$ 6,739,517	\$ 30,416,902	\$ 33,578,061
Corporate assets							3,269,900	2,888,734
Investments in and advances to significantly influenced companies and other investments							1,557,762	888,254
TOTAL ASSETS							\$ 35,244,564	\$ 37,355,049
Identifiable segment capital expenditure	\$ 673,215	\$ 1,480,222	\$ 278,105	\$ 632,893	\$ 1,281,363	\$ 731,369	\$ 2,232,683	\$ 2,844,484
Corporate capital expenditures							161,517	646,218
TOTAL CAPITAL EXPENDITURES							\$ 2,394,200	\$ 3,490,702
Identifiable depreciation and amortization	\$ 1,335,085	\$ 1,426,203	\$ 551,679	\$ 581,678	\$ 25,754	\$ 34,874	\$ 1,912,518	\$ 2,042,755
Other depreciation and amortization							82,560	66,205
TOTAL DEPRECIATION AND AMORTIZATION							\$ 1,995,078	\$ 2,108,960

The Company operates primarily in three industries - tourism and hotels, retail and rental. Tourism and hotel operations include providing recreational services at Maligne Lake in Jasper National Park, Alberta, and hotel accommodations in Jasper, Hinton, Spruce Grove and Stony Plain, Alberta. Retail operations comprise the marketing of a variety of goods in various locations throughout Alberta. Rental operations consist of renting commercial and residential properties in various locations in Alberta. Inter-segment revenues are accounted for at prices comparable to open market prices for similar products and services.

